

GOVERNMENT OF ANDHRA PRADESH

**ABSTRACT:**

A&C-Pre-positioning of complex fertilizers like Storage, insurance and transportation charges @ Rs.455/- per M.T. for Kharif 2008- Orders – Issued.

---

AGRICULTURE AND COOPERATION [FP II] DEPARTMENT

G.O.RtNo. **775**

Dated: 21/6/2008

Read:

From the Managing Director, AP MARKFED Lr No.Markfed/fert/C&M/07-08  
Dated 19.3.08.

**Oo**

**ORDER:**

In the references read above the MD AP MARKFED has stated that Govt. vide GORT No.291 Agriculture & Coop Department, Dated 7.3.08 nominated the AP MARKFED as the nodal agency to raise loans of up to Rs.500.00 Crores from Banks for purchasing and pre-positioning of fertilizers for agricultural season 2008-09 and that the interest accrued on the above loan will be borne by the Govt.

2. The MD also informed that MARKFED is proposing to purchase around 10 lakh MTs of fertilizers during Kharif 2008 and most of the suppliers are offering fertilizer stocks on Ex-Rail Head/godowns only. In view of this, A.P.MARKFED has to store not less than 5 lakh MTs in buffer godowns during Kharif 2008. The MD further requested that the stocks stored in buffer godowns will attract additional expenditure like un-loading, loading, storage, insurance and secondary transportation which causes the selling price to exceed the MRP at the delivery point and reported that a total incidental expenditure involved will be Rs.22.75 Crores approximately at an average expenditure of Rs.455/- per MT. If the incidental expenditure is not reimbursed to A.P.MARKFED then the same will have to be charged from the Societies.

3. Further the MD also informed that other State Govts such as Madhya Pradesh and Punjab have also given orders compensating interest, storage and transportation on the basis of actual expenditure required by MARKFED duly making the provision in the budget, to ensure that the farmers will get the fertilizers at MRP. The total quantity to be stored in buffer godowns during Kharif and Rabi will be around 5 lac MTs and the financial burden on the Govt will be Rs.22.75 crores approximately.

4. In view of the circumstances explained above, the MD AP MARKFD has requested the Govt to reimburse the storage, loading, unloading, insurance and transportation charges i.e. Rs.455/- per MT or actual expenditure whichever is lower on the stocks stored in the buffer godowns to on the quarterly basis in the interest of farming community so as to enable the agencies to sell the stocks at MRP.

5. In the circumstances stated above Government after careful consideration hereby agree to reimburse the incidental charges like storage, loading, unloading, insurance and transportation charges of Rs.22.75 Crores approximately @ Rs.455/- per M T or actual expenditure whichever is lower on the stocks stored only in the buffer godowns to A.P. MARKFED on the quarterly basis in the interest of farming community so as to enable the agencies to sell the stocks at MRP.

6. The MD, A.P.MARKFED is requested to incur the incidental charges from the Rs.500.00 Crores loan obtained for procurement of fertilizers for Kharif 2008 and claim the reimbursement afterwards.

7. This order issued with the concurrence of Finance [EAC] Department vide their UO No.18397/272 /EAC/2008, Dated 21/6/08.

**[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]**

C.R.BISWAL

PRINCIPAL SECRETARY TO GOVERNMENT

To

The Managing Director, AP MARKFED, Hyderabad.

The Commissioner & Director of Agriculture, Hyderabad. Copy to Finance [EAC] Department.

Copy to PS to M[Agriculture]

Copy to PS to Principal Secretary [A&C]

Copy to SF/SC.

//FORWARDED::BY ORDER //

SECTION OFFICER